

**MINUTES
REGULAR MEETING
UTILITY SERVICE BOARD
JUNE 18, 2012**

The Regular Meeting of the Utility Service Board of the City of Jasper, Indiana, was held in the Council Chambers of City Hall in Jasper at 7:05 PM on Monday, June 18, 2012, due to an Executive Session being held prior to this meeting.

The meeting was called to order by Chairman Wayne Schuetter.

UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:

Wayne Schuetter – Chairman
Rick Stradtner – Vice Chairman
Mike Harder – Secretary
Doug Schulte – Water Commissioner
Greg A. Krodel – Gas Commissioner
Ken Sendelweck – Electric Commissioner
Alex Emmons – Wastewater Commissioner

ALSO PRESENT:

Jerry Schitter – Electric Distribution Manager
Windell Toby – Electric Generation Manager
Mike Oeding – Gas & Water Manager
Ed Hollinden – Wastewater Manager
Bud Hauersperger – General Manager
Ashley Kiefer – Office Manager
Bill Shaneyfelt – City Attorney

PLEDGE OF ALLEGIANCE (DVD-00:39)

Chairman Wayne Schuetter led the Pledge of Allegiance.

APPROVAL OF MINUTES (DVD-01:01)

Chairman Wayne Schuetter presented the minutes of the May 21, 2012 Regular Meeting and asked for a motion to approve the minutes. Mike Harder made a motion to approve the minutes of the May meeting as presented. Rick Stradtner seconded the motion.

Bud Hauersperger stated that a correction needed to be made to the minutes on page 7 paragraph 2, under the “Water Bond Refinancing Update” section. The term “maximum refunded amount” needs to be changed to “maximum refunding amount.”

Rick Stradtner made a motion to amend the minutes due to the incorrect terminology used on page 7, paragraph 2. Mike Harder seconded the motion. Motion approved, 7-0.

APPOINTMENT OF RENEE KABRICK AS CITY ATTORNEY (DVD-02:35)

Mayor Seitz requested approval from the Board for the appointment of Renee Kabrick as the new in-house City Attorney effective July 1st. Mayor Seitz discussed the need for re-appropriation of funds for the rest of 2012 to cover the transition from contracted legal services to in-house legal personnel.

Ken Sendelweck made a motion to accept the appointment of Renee Kabrick as City Attorney. Rick Stradtner seconded the motion. Motion approved, 7-0.

PUBLIC BUSINESS: PETITION TO VACATE RIGHT OF-WAYS IN SUMMIT HEIGHTS SUBDIVISION (DVD-06:02)

Ashley Kiefer said that Cash, Waggner and Associates called in late this afternoon and asked to be moved to the agenda for the July USB meeting.

Alex Emmons made a motion to approve Cash, Waggner and Associates request to be moved from tonight's agenda to the July agenda. Doug Schulte seconded the motion. Motion approved 7-0.

RESULTS OF BUCKET TRUCK QUOTE OPENING (DVD-06:57)

Jerry Schitter asked for permission to purchase the bucket truck from Altec Industries for \$229,829. Altec was the low quote and did meet specifications.

Greg Krodel made a motion to approve the purchase of the bucket truck from Altec Industries for \$229,829. The motion was seconded by Mike Harder. Motion approved, 7-0.

CENTRAL TIE SUBSTATION ADDITION (DVD-07:51)

Jerry Schitter stated that Jasper Lumber has completed the Central Tie Substation building addition. The Electric Department will finish tying in the switches this fall to get the substation up to grade.

ANNUAL CAPACITY TEST RUN TO BE DONE ON JUNE 26TH (DVD-08:24)

Windell Toby reminded the Board that the Power Plant will be doing their annual capacity test run on June 26th. They will start early in the morning and run until later in the day. Coal has been ordered and will be in later this week. The plant has to run at full capacity for at least 4 hours to certify capacity. All Board members are welcome to stop by on June 26th.

STREET DEPT. TO STORE EXCESS STREET SALT AT POWER PLANT (DVD-08:46)

Toby informed the Board that the Street Department is going to store salt in the coal bunkers at the Power Plant. The salt will be covered with tarps.

JASPER CLEAN ENERGY MONTHLY REPORT (DVD-09:06)

Bud Hauersperger explained the Jasper Clean Energy monthly report for May to the Board. They have made possible changes to the site plan to incorporate the Heidorn property. The EPA has released its proposed CO2 emissions regulations. Jasper Clean Energy will satisfy the current requirements as proposed when burning natural gas and biomass as fuel. They are still working on the Power Sales Agreements. Jasper Clean Energy is still working on the miscanthus plot. They re-plugged some miscanthus and it seems be doing better than last year, regardless of the lack of rain. The pending litigation may change the proposed schedule for the project.

ELECTRIC PLANNING COMMITTEE REPORT (DVD-13:23)

Ken Sendelweck, Chairman of the Electric Planning Committee, stated the committee met on June 7th. The Committee discussed the Heidorn property and how it could enhance the existing Power Plant project. The Committee discussed the process in declaring the property as disposable and then advising to dispose of the property through the alternative lease procedure. The main focus through the RFP process is to find someone who will support the entire Power Plant project through this lease. The property lease will be written similar to the Power Plant lease to give the City control of the property.

The Committee anticipates that the Mayor will designate the USB as the Board to conduct the public hearing on the disposal of the property. A public hearing was discussed for possibly July 16th with the Utility Service Board meeting. The Common Council will then also need to approve the disposal of the property through the alternative lease procedure. The Committee would like the Heidorn lease to be completed by the end of the year, if not sooner.

The Committee talked briefly about a proposal from Metro Net to bring fiber to the homes in the City. An Electric Committee meeting is scheduled for June 28th at 1:00 PM to talk about their proposal.

The Committee also discussed the coal purchase Windell Toby just addressed, needed for the Power Plant test run on June 26th.

RESULTS OF BACKHOE QUOTE OPENING (DVD-16:52)

Mike Oeding informed the Board that ERB Equipment had the low quote of \$9,450 for the backhoe, but did not meet several specifications, which included less horsepower than was required, and other safety concerns. Oeding recommends purchasing the backhoe from Hopf Equipment for \$9,659, which did meet specifications and was the second lowest quote.

Rick Stradtner made a motion to approve the purchase from Hopf Equipment for \$9,659 for the backhoe. Alex Emmons seconded the motion. Motion approved, 7-0.

RESULTS OF UTILITY VEHICLE QUOTE OPENING (DVD-19:44)

Oeding reminded the Board that only one quote was received for the utility vehicle last month. They have ordered the utility vehicle from Hopf Equipment for \$13,000. It was delivered and is in operation.

REVIEW OF INTAKE PROBLEMS AT WATER PLANT (DVD-20:15)

Oeding explained to the Board that on June 7th they noticed blockage in the intake lines at the Water Plant. This had been a recent, ongoing problem. The raw water well was not refilling fast enough. The well normally has 8 to 9 feet of water but was getting down to about 2 feet. The water system was starting to lose stored capacity. On June 8th the situation became critical and the Park Department was contacted and asked to suspend watering. The Wastewater Department and Street Department came and cleaned some of the intakes out and found a log and other debris stuck in the intake opening. On Sunday, June 10th, divers were called in along with the help of the Electric and Street Departments to take the log out of the intake opening. They also jetted the lines. Lechner Excavating came on Tuesday and extracted about 25 loads of debris from around the intake.

Since the situation occurred, the Water Department has revisited the site and found there were no screens on the intake openings. At this time, the Water Department is in the process of fabricating screens for the openings. This should help with the recent problems. Now that the divers came, they know where everything is located and can keep a better eye on the situation. Hayersperger, Oeding, and Chairman Schuetter, on behalf of the Board, thanked Tim Doersam for a job well done and all the City and Utility departments for helping out.

MIDWESTERN CONTRACT CHANGES FOR NORTH TOWER PROJECT (DVD-27:05)

Oeding informed the Board that he has received the Midwestern contract revisions for the North Water Tower project. Shaneyfelt has approved the revisions. Derick Wiggins with Midwestern Engineering explained to the Board part of the revised agreement that was marked “not applicable.”

Under Part 1 “Basic Services,” it was marked “not applicable,” which indicated to Midwestern that it applied to all the services, but the intent of Midwestern was for it to apply to only the Study Phase. Midwestern made a note on the contract that section A.1 did not apply. Shaneyfelt agreed with the change.

Shaneyfelt informed the Board that the fee for the project was a not to exceed amount, but Midwestern has it stated in the contract as an estimated amount, instead of a not to exceed amount. Extra language was added to the contract to address this. The revised contract also amended the timeline due to contract delays. The substantial completion date did remain the same.

Doug Schulte made a motion to approve the changes in the contract with Midwestern Engineering for the North Water Tower project. Mike Harder seconded the motion. Motion approved, 7-0.

Mike Oeding informed the Board that Derick with Midwestern also has a project timeline update. Bids for the North Water Tower project should be received in August; therefore Oeding would like to hold a special meeting the week before the August USB meeting to open bids and

be ready to make an award at the Regular August meeting. The Notice to Proceed is estimated to be ready September 1st.

INSURANCE RATES INCREASING NEXT YEAR (DVD-39:58)

Oeding reported that the GUA had a meeting and re-elected him as President. Membership voted to increase the dues by \$.25 per meter next year, which is still cheaper than private insurance. Oeding estimated the total cost to increase approximately \$1,050.

VALVE TRAILER (DVD-40:43)

Oeding explained to the Board that the Water Department has been using the purchased valve trailer/excavator on both water and street projects and it is working great.

GAS PLANNING COMMITTEE REPORT (DVD-41:06)

Greg Krodel, Chairman of the Gas Planning Committee, stated the committee did not meet during the past month.

WATER PLANNING COMMITTEE REPORT (DVD-41:11)

Doug Schulte, Chairman of the Water Planning Committee, stated the committee met on June 13th. The Committee discussed the 3rd Avenue water main repairs. We have been looking at replacing the water main on 3rd Avenue for a few years now. The project was pushed back due to the Beaver Dam Rehabilitation project. This project is again brought to the forefront due to the Street Department needing to repave 3rd Avenue. The water main replacement should be done before the street is repaved, due to not wanting to make a bunch of road cuts into new pavement.

There are many reasons this water main needs replaced. One of the major problems is that the existing water pipe is sitting directly on top of rock. Over the past 5 years there have been 25 main repairs in this area. The pipe in this area is approximately 60 years old. There are also sections of pipe along this street that are extremely deep and costly to repair because of the depth. The pipe is 17 feet deep in front of German American Bank. This main is a major line and serves the Holy Family area, the Kmart shopping center, and apartment complexes.

The water main would be replaced from Staat Strasse to Meridian Road. The total project is estimated to cost between \$850,000 and \$900,000. It was discussed placing valves every 1,500 to 2,000 feet to help isolate main breaks to a smaller affected area. Due to all the rock in the area, they will need to over dig the trenches by a foot and line the trench with small rock or sand to help cushion the new pipe from shifting and popping.

Oeding will check with Lisa Gehlhausen at Indiana 15 to see if any grant opportunities are available to help with payment. Savings from the water bond refinancing were also discussed in helping with the payment.

The Committee recommends hiring Midwestern Engineers for the project and would like approval from the Board tonight.

Derick with Midwestern Engineers informed the Board regarding the estimates for an 8 inch line versus a 12 inch line for the repairs. The 8 inch is estimated at \$850,000 and the 12 inch is estimated at \$985,000 for construction costs. Engineering design will run \$68,000, which is 8% of the construction cost. Periodic inspection costs are estimated at \$15,000 for 2 visits per week to the site. Total estimated cost for the project with 8 inch pipe is \$933,000, and the total estimated cost with 12" pipe is \$1,068,000. Decisions on the size of pipe used for the water main will not be made until the bids come in.

Chairman Schuetter asked about the financing for the 3rd Avenue water main repairs. Hauersperger explained that at the last meeting he mentioned that the refinancing of the water bond could save almost \$100,000 a year. Now, through more research, it will be an estimated net savings of approximately \$550,000, with the net present value being \$412,000.

Other funds to pay for repairs may include a loan from the Electric Department. A scheduled Water rate study will be done to see if the project will raise water rates in order to help pay for the project. Hauersperger and Oeding are meeting with EDA on June 20th to see if there are any grants available to help with the project.

Doug Schulte made a motion to proceed with Midwestern Engineering for the engineering for the 3rd Avenue water main project, subject to approval of the contract by legal counsel, General Manager Hauersperger, and Chairman Schuetter. Greg Krodel seconded the motion. Motion approved, 7-0.

PAYMENT REQUEST FROM INFRASTRUCTURE SYSTEMS, INC. (DVD-1:09:20)

Ed Hollinden presented a payment request on behalf of Infrastructure Systems, Inc. for the Northside Sewer Project in the amount of \$146,759.86. This is the second payment request. The project manager said that they have 45 saddles left to install, and should be complete in 3 weeks. Paving will start next week.

Mike Harder made a motion to approve the second payment request from Infrastructure Systems, Inc. for the Northside Sewer Project in the amount of \$146,759.86. Alex Emmons seconded the motion. Motion approved, 7-0.

PERMISSION TO REPLACE LINE CREW TECHNICIAN (DVD-1:10:48)

Hollinden asked for Board permission to replace a Line Crew Technician. Scott Schnell has taken a position with the Engineering Department and Hollinden needs to fill the vacant position.

Alex Emmons made a motion to give Hollinden permission to replace a Line Crew Technician. Rick Stradtner seconded the motion. Motion approved, 7-0.

DECLARE 1990 FLOATER LIQUID SLUDGE SPREADER SURPLUS (DVD-1:11:23)

Hollinden asked the Board for permission to declare a 1990 floater liquid sludge spreader surplus. He would like to sell the spreader after it is declared surplus.

Ken Sendelweck made a motion to declare the 1990 floater liquid sludge spreader surplus. Mike Harder seconded the motion. Motion approved, 7-0.

WASTEWATER PLANNING COMMITTEE REPORT (DVD-1:12:06)

Alex Emmons, Chairman of the Wastewater Planning Committee, stated the Committee did not meet during the past month.

TRANSLATION OF NEW CUSTOMER PACKET COMPLETED (DVD-1:12:13)

Ashley Kiefer informed the Board that the new customer packets are now translated into Spanish and are ready to be distributed. They are given to new customers when they come in to sign up for utilities. The cost for the translation was \$250.

PAYMENT REQUEST FROM FORCE CONSTRUCTION (DVD-1:13:42)

Bud Hauersperger presented a payment request on behalf of Force Construction for \$827,914.19 for the Beaver Lake Dam Rehabilitation Project. This is the ninth and last major payment towards the project, excluding the \$8,000 retainage held back for grass reseeding and landscaping fees.

Doug Schulte made a motion to approve the Contractor's Application for Payment #9 to Force Construction in the amount of \$827,914.19. The motion was seconded by Alex Emmons. Motion approved, 7-0.

CERTIFICATE OF SUBSTANTIAL COMPLETION (DVD-1:15:30)

Bud Hauersperger presented a Certificate of Substantial Completion for the Beaver Creek Lake Dam Rehabilitation Project. Oeding stated that "Keep Out" signs will be posted around the base of the Dam and the ladder is going to have an anti-climb device installed. Erny Sheet Metal will be making a grate for the fall hazard. There will also be a floating buoy anchored next to the spillway to alert boaters to keep away.

Mike Harder made a motion to approve the Certificate of Substantial Completion for the Beaver Lake Dam Rehabilitation project. Doug Schulte seconded the motion. Motion approved 7-0.

WI-FI ANTENNA TRANSFER OF OWNERSHIP TO PARK DEPT. (DVD-1:17:24)

Bud Hauersperger informed the Board that the WI-FI antenna purchased by the Electric Department for the Riverwalk and the Mill area has been installed and is operational. The WI-FI area covers the Mill, Buehler Plaza area, and part of the Train Depot parking lot. The Electric Department needs to make a transfer of the asset to the Park Department, who will be maintaining the equipment and be responsible for any charges for the usage of the equipment.

Chairman Schuetter reminded the public that the WI-FI service is not "free." It is public access. It is not necessarily free. The City had a cost purchasing the antenna and will also be paying fees to maintain the equipment.

Rick Stradtner made a motion to approve the transfer of the ownership of the WI-FI antenna to the Park Department. Doug Schulte seconded the motion. Motion approved, 7-0.

AGREEMENT WITH H.J. UMBAUGH FOR WASTEWATER RATE STUDY (DVD-1:20:11)

Bud Hauersperger stated that a rate study is required to be done for the Wastewater Department every two years per bond agreements. Hauersperger presented a proposal from H. J. Umbaugh for \$9,500, which is the same fee that was paid two years ago. Additional charges of \$1,250 per meeting may be charged if more than one public meeting is necessary. Shaneyfelt reviewed the agreement and a little cleanup is needed to clarify exhibits.

Ken Sendelweck made a motion to enter into an agreement with H. J. Umbaugh for a Wastewater rate study for the cost not to exceed \$9,500, which includes one public meeting, subject to approval by legal counsel, General Manager Hauersperger, and Chairman Schuetter. Alex Emmons seconded the motion. Motion approved, 7-0.

UPDATE ON WATER BOND REFINANCING (DVD-1:22:06)

Hauersperger said that the water bond refinancing will be going through the approval process soon. A favorable rate was proposed from German American Bank, which will be the proposal most likely accepted.

FINANCE COMMITTEE REPORT (DVD-1:22:31)

Mike Harder reported the Finance Committee had met and reviewed the claims on the Claim Docket.

The Finance Committee recommended approval of the claims as presented.

Greg Krodel made a motion to approve the claims as presented. Rick Stradtner seconded the motion. Motion approved, 7-0.

RESOLUTION TO AMEND SALARY ORDINANCE (DVD-1:23:02)

Bill Shaneyfelt presented to the Board, Resolution USB 2012-8, recommending an amendment to Ordinance 2011-21 to add the Meter Technician position to the salary ordinance.

Rick Stradtner made a motion to approve Resolution USB 2012-8 and to recommend to the Common Council the amendment to the salary ordinance. Doug Schulte seconded the motion. Motion approved, 7-0.

RESOLUTION RECOMMENDING THE ADOPTION OF ANTI-NEPOTISM ORDINANCE (DVD-1:24:38)

Shaneyfelt presented Resolution USB 2012-9, recommending the adoption of an Anti-Nepotism Ordinance. A new State law, effective July 1st, requires that this Ordinance be placed in effect. Relatives are defined as a spouse, parent, stepparent, child (natural or adopted), stepchild,

brother, half-brother, sister, half-sister, stepbrother, stepsister, niece, nephew, aunt, uncle, daughter-in-law or son-in-law. This Ordinance follows the State guidelines. There is a grandfather clause in effect for current employees.

Doug Schulte made a motion to approve Resolution USB 2012-9 and to recommend to the Common Council the adoption of the proposed Anti-Nepotism Ordinance. Mike Harder seconded the motion. Motion approved, 7-0.

RESOLUTION SETTING ELECTRIC GENERATION EMPLOYEES WORK SCHEDULE (DVD-1:28:26)

Shaneyfelt presented Resolution USB 2012-10, regarding the continuation of a reduction in work hours for all hourly Electric Generation employees. Chairman Schuetter asked that a 40 hour work week be re-established for the Electric Generation employees for the next 90 days, due to the extra work needing done in all departments over the next several months. USB members agreed on the 40 hour work week for the next 90 days. The situation will be reviewed again at the September USB meeting.

Chairman Schuetter called for a motion to approve Resolution USB 2012-10. No motion was made, so the Resolution died for the lack of a motion.

RESOLUTION FOR ASSISTANT CITY ATTORNEY SALARY (DVD-1:34:38)

Shaneyfelt presented Resolution USB 2012-11, recommending an amendment to Ordinance 2011-20, to add the position of part-time Assistant City Attorney and to include the appropriate salary for the City Attorney.

The new City Attorney will start on July 1st, 2012. This Ordinance would add a part-time hourly Assistant City Attorney position for three days or 24 hours, at a rate of \$39.42 per hour, until the initial rate is effective July 1, 2012. At this time the salary rate will become effective at the initial rate from July 2, 2012 through September 29, 2012. At that time, the salary rate will increase from September 30th to the end of the year. Beyond December 31st, the salary will be decided by the 2013 City Budget. The Utilities and City share the expense of the City Attorney 50/50.

The Utility Service Board asked Shaneyfelt to add an expiration date of July 1, 2012, to the proposed Ordinance for the part-time Assistant City Attorney position.

Rick Stradtner made a motion to approve Resolution USB 2012-11 and recommend to the Common Council to amend the salary ordinance for the City Attorney, subject to adding the expiration date on the part-time Assistant City Attorney position. Mike Harder seconded the motion. Motion approved, 7-0.

Shaneyfelt stated that any services with the firm Shaneyfelt and Bohnenkemper after July 1, 2012 will be charged at a rate of \$120 per hour. Shaneyfelt will prepare a contract to that effect. The City and Utilities will split the charges incurred 50/50 for joint matters, pay the entire amount for Utility only matters, and pay nothing for strictly City matters.

Ken Sendelweck made a motion to approve continuing with Shaneyfelt and Bohnenkemper, on an as needed basis, for \$120 per hour after July 1st, 2012, for services shared between Utilities and City split 50/50, services for Utilities only paid at 100%, and services for the City only paid at 0%. Greg Krodel seconded the motion. Motion approved, 7-0.

ATRAZINE CLASS ACTION LAWSUIT (DVD-1:47:00)

Bill Kaiser, from Bingham Greenebaum Doll, LLC, explained to the Board that approximately two years ago the City and Utility Service Board approved entry into a class action lawsuit dealing with the cost incurred with the filtration of atrazine, which is an herbicide, in the City drinking water. The City incurred many costs to prevent atrazine from entering the City's drinking water. The City never exceeded approved levels of atrazine in the water, because the City filtered the atrazine out of the drinking water.

On May 23rd the class action lawsuit settled and the City of Jasper will receive part of the settlement. The exact amount of the settlement the City will receive is not known at this time. The criteria to determine the settlement amount is the number of times atrazine was identified in the City's raw water, the amount of atrazine that was present in the raw water, and the number of customers the City serves. The gross settlement amount is \$105 million. Resolution USB 2012-12 states that the City of Jasper accepts the settlement of the atrazine litigation.

Doug Schulte made a motion to approve Resolution USB 2012-12, accepting the settlement of the atrazine litigation. Rick Stradtner seconded the motion. Motion approved, 7-0.

THANK YOU (DVD-1:52:42)

Chairman Schuetter and the Board thanked Bill Shaneyfelt and Sharon Bohnenkemper for their services the past six months.

There being no further business to come before the Board, the meeting was adjourned at 8:57PM upon motion by Alex Emmons and second by Mike Harder. Motion approved, 7-0.

The minutes were hereby approved _____ with X without corrections this _____ day of _____, 2012.

Attest: _____
Secretary Chairman